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On behalf of the European Business Community (EBC) in Japan, I would like to express my gratitude to the Mainichi Daily News for the opportunity to address its readers on Europe Day. The EBC is the trade policy arm of the European national chambers of commerce in Japan, which combined represent over 3,000 European firms doing business in this country. These firms are committed to Japan. This commitment has not wavered despite the numerous challenges all companies currently face doing business in the Japanese market. In many sectors such as telecommunications, health science, and consumer goods retailing, the European commitment to the Japanese economy has in fact strengthened, as firms pursue opportunities that have appeared as a result of deep-seeded changes occurring throughout the Japanese economy.



Richard Collasse

For their part, European firms contribute new capital, technology, managerial know-how and job opportunities to the Japanese economy. This contribution is not insignificant. Even in Japan where the level of foreign investment is extremely low compared to other developed economies, it is estimated that foreign-affiliated firms employ over 1,000,000 full-time workers in their Japanese operations.

We are pleased to see that the Japanese Government is starting to place more emphasis on the value of increasing foreign investment in Japan. In his speech opening the spring session of the Diet, Prime Minister Koizumi indicated his Government's intention to double the amount of foreign investment into Japan within five years. The EBC fully supports this initiative. Experience from Europe and elsewhere has shown that foreign investment can have an extremely positive effect on economic development.

I would like to stress, however, that significant new investment from Europe will not happen unless Japan moves fast to improve the business environment in this country. Japan has to show the world that is serious about attracting foreign investment, and that it is willing to move quickly to implement the micro and macro reforms necessary to attract foreign investors from what are perceived as more "dynamic" countries in the Asian region, including China. Persistent frustration with the Japanese business environment continues to discourage European firms from making new investments or expanding their current operations in Japan.

Despite these challenges, the EBC remains positive about the prospects for the Japanese economy. If anything, there has been a very definite shift in attitude towards the role of foreign trade and investment in Japan. Japanese customers are seeking out innovative European products, Japanese cities and towns are actively promoting European investment, and Japanese companies are adopting new attitudes towards doing business.

The EBC very much welcomes these developments and will continue to promote further European involvement in the Japanese economy.

*Congratulating the people of Europe
as they celebrate Europe Day*